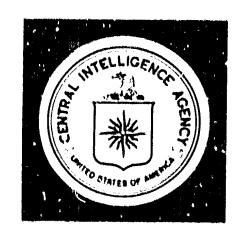
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## Men on the Move

#### 25X1A9A

In a routine NCNA radio breadcast reporting provincial new year gatherings, Peking revealed the most sweeping changes in regional military commands since the purge of Lin Piao. A summary of the changes and the major personalities involved is contained in the following two charts, Highlights of the changes include the rotation of seven key military region commanders and the head of the PLA General Political Department, the appointment of three civilian Politburo members to ranking political commissar posts, and the reduction of the number of provinces headed by military men from a previous high of 20 to only 9. An analysis of the implications of this rotation can be found in the Central Intelligence Bulletin for January 2, 1974 and the Central Intelligence Weekly Review for January 4, 1974.

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## The New Line-up in China's Military Regions

Military Region	Old Commander	New Commander	Political Commissars (PC)
Shenyang	Chen Hsi-lien	Li Te-sheng	Tseng Shao-shan
Peking	* *	Chen Hsi-lien	*Chi Teng-kuci, 1st PC
			*Wu Te, 2nd PC
			Chen Hsien-jui
Tsinan	Yang Te-chih	Tsong Ssu-yu	*Pai Ju-ping, 1st PC
			*Hsu Li-ching
Wuhan	Tseng Ssu-yu	Yang Te-chih	Wang Liu-sheng, 1st PC
Nanking	Hsu Shih-yu	Ting Sheng	Chang Chun-chiao, 1st PC
			Tu Ping
Canton	Ting Sheng	Hsu Shih-yu	*Wei Kuo-ching, 1st PC
			Hua Kuo-feng
			Kung Shih-chuan
			Jen Ssu-chung
Lanchow	Pí Ting-chun	Han Hsien-chu	Hsien Heng-han, 1st PC
Foochow	Han Hsien-chu	Pi Ting-chun	Li Chih-min

Chengtu, Kunming, and Sinkiang Military Regions remain unchanged.

onew title for given individual

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<sup>\*\*</sup>never publicly identified
Snew title for given individ

Name	Former Position	Current Position	Comments
Li Te-sheng	VC of the party; Member Politburo; Chm Anhwei RC; 1st Sec Anhwei PC; Commander Anhwei MD Director, General Political Dept., PLA	retained  iost  retained  retained  rost  Commander  Shenyang MR	Li, who was considered a prime candidate for chief of staff, has presumably surrendered all his Anhwei titles and his post as Director of the General Political Department (GPD) of the PLA. At first glance Li's transfer appears to be a demotion, by much of its actual impact will depend on wheth A is awarded the top party position in Liaoning and on the length of his absence from Peking. No replacement for Li in Anhwei and as GPD head in Peking has been announced.
Chen Hsi-lien	Member Politburo; Commander Shenyang MR; Chm Liaoning RC; Ist See Liaoning PC	retained lost Commander Peking MR	Chen's transfer to Peking may give him a greater role in setting party policies, some of which he has opposed. But his presence in Peking will also allow his opponents to keep a closer watch on him and, in the long run, could lead to his undoing.
Chi Teng-kuci	Member Politburo; Sec Honan PC;	retained retention un- certain 1st Political Commissar Peking MR	Chi is rarely in Honan, but he has until now retained his provincial post. It is not clear if this appointment—a new feather, which increases his prestige and may portend an even larger role for him in Peking—means an end to his Honan associations.
Wu Te	Member Politburo; Chm Peking RC; Ist Sec Peking PC	retained 2nd Political Commissar Peking MR	This is an additional appointment for Wu. It will increase his prestige, while permitting him to retain his Peking posts. Nonetheless, while he is the top party man in Peking municipality, he is now subordinate in the military pecking order to civilian Chi Teng-kuci.
Yang Te-chih	1st Sec Shantung PC; Chm Shantung RC; Commander Tsinan MR	lost Commander Wuhan MR	Yang's deputy was purged in September, and Yang himself was attacked in big character posters last fall. His transfer may relieve the immediate pressure on him, but the lack of a power base in Wuhan could leave him in an exposed position.
Pai Ju-ping	2nd Sec Shantung PC; VC Shantung RC	retained Ist Political Commissar Tsinan MR	Pai, a veteran civilian cadre who was promoted to his current provincial perty position after the purge of Yuan Sheng-ping last September, may be in line for Yang Te-chih's old Shantung posts.
Tseng Ssu-yu	1st Sec Hupeh PC; Chm Hupeh RC; Commander Wuhan MR	lost Commander Tsinan MR	Tseng was one of the most active provincial leaders and appeared to relish his civilian duties. He may be one military officer who will be upset if he does not receive a similar civilian position in his new province. Tseng may have been among the targets of big character posters attacking unnamed provincial leaders in Hupeh.

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Name	Former Position	Current Position	Comments
Ting Sheng	ist Sec Kwangtung PC; Chm Kwangtung RC; Commander Canton MR	lost Commander Nanking MR	Ting had difficulty in asserting his authority in Kwangtung. He is likely to have similar trouble in Kiangsu.
Hsu Shih-yu	Member Politburo; 1st Sec Kiangsu PC; Chm Kiangsu RC; Commander Nanking MR	retained lost  Commander Canton MR	Hsu leaves his factionalized province for another that has not responded well to central directives. During the Cultural Revolution and the Lin crisis, Hsu struggled hard to defeat attempts to replace him. If another attempt is made, Hsu will be in a much weaker position.
Wei Kuo-ching	Member Politburo; 1st Sec Kwangsi PC; Chm Kwangsi RC	retained 1st Political Commissar Canton MR	Wei's appointment is an additional title, and he will not have to surrender his present provincial posts. His appointment as 1st political commissar moves him ahead of Hua Kuo-feng, Hunan party boss and fellow Politburo member who is now the second ranking political commissar of Canton MR.
Han Hsien-chu	1st Sec Fukien PC; Chm Fukien RC; Commander Foochow MR	lost Commander Lanchow MR	Han has been concerned about challenges to his authority from allies of ex-Fukien boss Yeh Fei. There is no clear number-two man in Fukien to assume Han's old posts, and Yeh, who was recently rehabilitated, may be a leading candidate to succeed him.
Pi Ting-chun	See Kansu PC; VC Kansu RC; Commander Lanchow MR	lost Commander Foochow MR	Unlike the other rotated MR commanders, Pi is neither a provincial party 1st secretary nor a Revolutionary Committee chairman. Pi commanded the Fukien Front for several years before the Cultural Revolution.

PC - Party Committee

RC -- Revolutionary Committee

MR - Military Region

MD - Military District

VC -- Vice Chairman

Chm - Chairman

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## Confucius and the Feudal Prince

#### 25X1A9A

One of the major achievements of Chin Shih Huang-ti, now being touted for his anti-Confucian reforms, was to break the power of the feadal Lords who flourished under the Confucian system. History repeated itself last week when the modern-day Eusperor Chin (Mao) and his reformist premier (Chou En-lai) engineered a massive reshuffing of regional military commanders. Although the move was part of a protracted effort—gradual until now—to undercut the military's hold on political affairs, it has direct relevance to the recent anti-Confucius campaign.

Most of the statements in the campaign can be read as critical of Chiang Ching, the chief spokesperson for the radical cause. But the campaign also includes attacks on "feudal kingdoms." A ranking Chinese party official has reportedly linked this aspect of the campaign directly to the independence of certain regional military commanders who are not responsive to party direction from Peking. In fact, it is possible that one motive for the timing of the drive was the surprising turn of events last summer, when at least one regional commander made a show of independence by endorsing policies espoused by Chiang Ching and her supporters. Starting in mid-July, the Liaoning provincial radio, apparently speaking on behalf of the then-Manchurian strong man Chen Hsi-lien, waged a fierce campaign against the use of university entrance examinations—a position also taken by the radicals. Chou left the capital to meet with Chen in Liaoning on July 31, and within three days the State Council issued instructions to de-emphasize entrance examinations; just four days later, on August 7, the first of the anti-Confucius articles appeared in *People's Daily*.

Before this summer, Chen apparently had supported the moderate policies initiated by Chou since the Cultural Revolution. From July until his transfer to his new post as Peking Military Region commander at the end of the year, the media in Liaoning were remarkably consistent in their support of radical policies, particularly in the field of education. Among the issues that could have prompted Chen's belligerence was the well-orchestrated drive to dilute his own political power and that of other provincial military men.

In addition to anti-Confucias attacks on feudal kingdoms in general, there is some evidence to suggest that Chen personally is being criticized. In October, an anti-Confucius article praising Wang An-shih, a Sung dynasty political reformer who seems to be a surrogate for Chou, was careful to distinguish between two groups of opponents of Wang. One group was the Confucian "dichards," probably a reference to uncompromising radicals like Chiang Ching, whose opposition came as "an surprise." The other group consisted of "elements within the reformist faction" who had a "change of heart" and attacked Wang "behind his back." This seems to be a

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reference to Chen. "As soon as their personal interests were damaged by the reform," the article said, these people "immediately changed sides and joined the dichards" in attacking Wang. Although this could be a reference to Lin Piao, the standard line on Lin is that he was always a traitor, not a one-time loyal supporter who changed sides.

Wang An-shih is one of several reformers being praised in the anti-Confucius campaign, but this particular article has appeared only in the Hong Kong communist newspaper Ta Kung Pao. That it has not appeared in China attests to its sensitivity and probably reflects the caution with which Chou must approach the highly charged issue of criticizing a regional commander of Chen's stature. Chen's transfer to Peking will allow Chou to keep a closer watch on him, but it could also enable Chen to parlay his new job into even greater personal power.

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10,000	Chinese	Soldiers	Go	Home
		·		

#### 25X1A9A

Peking, looking toward its long-term interests, is substantially scaling down its military contingent in northern Laos. During the past two months, almost all Chinese anti-aircraft troops have been withdrawn, and both infantry regiments in Laos are now in the process of returning to southern China. These forces had provided security for China's road-building effort, but with the cease-fire they are no longer required. The withdrawals leave some 19,000 Chinese construction and logistic troops maintaining and extending the road network in northern Laos.

The withdrawal is part of Peking's effort to make its presence and activities in Laos more compatible with China's post-war goals preventing North Vietnamese domination of Indochina, containing Soviet influence, and ensuring that the Lao Government is reasonably sympathetic with Peking's regional goals. China has taken an active role in Lao affairs over the past year, in effect underwriting the Lao agreements and offering whatever government emerges in Vientiane the opportunity to use Peking as a balance against both Hanoi and Moscow:

During the last year or so of hostilities. China supported an end to the lighting and worked behind the scenes to help compose differences;

Peking has strongly supported a negotiated coalition government, even persuading the Soviet ambassador in Vientiane that China's attitude is positive. Peking resumed normal diplomatic contacts with the Souvanna government in 1972 and has promised to dispatch an ambassador when a coalition emerges;

Chinese aircraft brought Pathet Lao personnel to Luang Prabang in implementation of the September protocols between the Lao sides. Previously, Soviet aircraft had been used exclusively to transport Lao Communist personnel;

Chinese diplomats have indicated they are willing to assist peace-keeping efforts:

Peking dispatched a medium-level delegation to visit Communist-controlled northeastern Laos less than a month after North Vietnamese First Secretary Le Duan had made a similar trip;

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Aside from these efforts to solidify Peking's position in Vientiane, China plainly intends to maintain its influence in Laos by continuing its road construction

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in the north. Chinese diplomats have noted privately for months that this construction has been conducted under a 1962 Sino-Lao agreement. Some of these diplomats have indicated that Peking might wish to alter the scope of its activities and put the road-building project on a more legitimate and durable footing by renegotiating the agreement with a new Lao coalition government. The Chinese, for instance, might seek explicit responsibility for maintenance of the road network and might agree to use civilian labor. The withdrawal of combat units that is now under way is a step toward giving China's presence a less militant east.

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#### Economic Policy in 1973

#### 25X1A9A

In spite of untilled top administrative posts and intensified wrangling between ideologues and moderates, the Chinese Government was able to make far-reaching economic decisions in 1973. These decisions generally favored agriculture and its supporting industries and sacrificed some of China's short-run economic independence in order to achieve self-sufficiency over the long hauf.

#### Grain Import Policy

In 1973, Peking took the unprecedented step of concluding long-term grain import agreements with three traditional suppliers. Canada, Australia, and Argentina. Grain imports totaled 8 million tons in 1973, a sharp rise over the normal 5 million tons. In 1974, imports will be at least 9 million tons. In spite of agreements with other suppliers. China probably will import about as much grain from the US in 1974 as in 1973, about 5 million tons.

#### Contracts for Industrial Plants on Credit

In 1973, China contracted with non-Communist countries for \$1.1 billion worth of industrial plants, mainly for the manufacture of chemical fertilizers and artificial fibers. This strategy is sound:

Machinery and equipment are much better buys in today's market than grain or tertilizer will be in tomorrow's market:

· China will have the necessary petroleum-based raw materials for these plants;

Increased production of artificial fiber will enable Peking to meet the people's requirements for clothing in spite of the recent transfer of cotton acreage to grain.

Outside of a revolving charge account for Western grain and fertilizer, until 1973 Peking could boast of having no foreign debt. Because of the large new contracts for foreign industrial plants, however, China faces deferred payment obligations of \$100 million to \$200 million annually during the late 1970s. Contracts in 1974 are likely to match the volume of 1973. Even so, Peking can readily handle the resulting level of foreign debt.

#### Stimulation of Exports

In 1973, the government speeded up development of an already rapidly expanding oil industry to take advantage of the favorable international market. Other measures to increase earnings of hard currency were substantial rises in the prices of export goods, encouragement of larger remittances by Overseas Chinese, and greater responsiveness to customer needs in grading, packaging, and labeling.

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## Economic Aid to Less Developed Countries, 1973

#### 25X1A9A

During 1973, Peking extended some \$370 million in new economic aid to less developed countries (LDC), bringing the total amount of such aid since 1956 to \$3.2 billion. More than two thirds of the Chinese economic commitments have been made since the beginning of 1970, when China re-emerged on the international scene following the Cultural Revolution.

Most of the 1973 economic aid was concentrated in sub-Saharan Africa to take advantage of local interest there and the lack of competition from highly industrialized donors. More than 85 percent went to five African nations which were accepting Chinese development aid for the first time. Egypt and Syria received almost \$40 million in food grains and hard currency to support their war effort. The number of Chinese technicians in LDCs rose to 23,500 in 1973, with almost 95 percent of them going to Africa.

Most of the new economic aid is being spent on developing light industry and agriculture areas in which the Chinese are well-qualified to specialize in contrast to the heavy industrial projects favored by other Communist donors. Repayment terms continued to be almost unbeatable. The credits are interest-free and are repayable in goods over 15 to 25 years following grace periods of up to ten years. Almost all Chinese military aid is given as grants.

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### Chinase Economic Aid Extensions to the Third World

## Million US \$

	1956-69	1970	1971	1972	1973	Total 1970-73	Total 195 <b>6</b> -73
Total	1,024.4	728.1	562.6	<b>558.0</b>	370.4	2,219.1	3,243.5
Africa	379.0	4728	358.6	209.8	330.8	1,372 0	1,751.0
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Chad					48.6		
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Upper Volta	i <del>e</del> .	~ <b>*</b>	~~	منت	49.0	-u.	ment.
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Middle East and							
South Asia	478.6	255.3	34.3	259.2	39.6	588.4	1,067.0
Egypt	w- ·	· 24	-Marie	ulcila	30.0	Nova.	21 <b>m</b> .
Pakistan	Jan-4	***		al line	0.5	ميت	Quia.
Syria	All talls	where .	line de la constant d		8,4	-	b-w
Yemen (Sana)	£.1.d	क्रिक	24	vii.	0.7	ien	₩ AN
East Asia	166.8	Stanto	80.7	<b>A</b> -V4	K-St	80.7	247.5
Europe	spane.	, applicates	45.0	AMPER		45.0	45.0
Latin America	**	10-8	44.0	89.0	***	133.0	133.0

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<b>Peking</b>	Frowns at	New	Delhi
	25X1A9	)A	

China continues to demonstrate distinct coolness toward India and to make clear that New Delhi's ties with Moscow are the source of its irritation, Following Brezhney's visit to India in late November, the Chinese press markedly increased its criticism of Indian policies and of Soviet influence in the subcontinent region:

Articles on Indian labor difficulties have given New Delhi's economic policies a negative cast;

The Chinese press has carried excerpts from Indian, Nepalese, and Jammu newspapers that have denounced Moscow's Asian collective security scheme and Soviet influence in the Indian Ocean basin;

-Assertions in the Indian press that the Soviets are obstructing local Indian oil exploration and that India benefits little from local production of Soviet-designed MIG aircraft have received coverage;

AnnCNA article strongly criticized continued Soviet operations in Chittagong harbor; and

-Peking resumed press coverage of cross-border raids mounted by dissident Nepalese insurgents from bases on Indian soil, plainly indicating Indian culpability.

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Peking is also beginning another round of arms talks with Pakistan. The visit of
Army Deputy Chief of Staff Chang Tsai-chien repays the visit of a high-level

Pakistani military delegation to Peking in November.

Chang is likely to survey Pakistan's needs in some detail and to discuss delivery arrangements. Additional Chinese assistance may

well be forthcoming

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١	New Directions in Co	mputer Developn	ient	
		25X1A9A		
US computer manufacturers in key hardware and Chinese computer devorganizations that county brief tours of the US firm would show level engineers, it is defined to the control of the US firm would show level engineers, it is defined to the control of the contro	acturers, research a , and computer user manufacturing technolograms, ald provide this kind was competitor. Sincoubtful that they absions. They did, ho	ind developments. The delegation to the delegation to long potentially and in the US miles of assistance. The exposed to a most of the Clorbed all the tech wever, take coping.	specialists visited leading organizations, semico was primarily interested in long-ter anufacturers and researche Chinese were afforded onore know-how than ninese were management inical details or were ablous notes and acquired ome.	on- ed on ch ed or a t-
hardware or develops suggests the likely dis only medium-sized or domestic manufacture high performance con programs. Small or a	ment activities, but rection of future Cl omputer models of a Concomputer will propert minicomputers to seably also be develope	their interests in ninese computer modest perforn robably involve t selected scientifi rve a variety of d. To do this, the	on on Chinese compute specific US technolog development. Currentle nance are available from the development of largic and strategic weaponeconomic and scientific Chinese must determinate import.	gy y, om ec, ns fic
peripheral equipment ment. Peripheral equip	for computers—such pment currently in u	i as magnetic tap ise in China is ve	uality, high-performand e and disc storage equi ry limited in quality ar sistance will be require	p- id

before China can use computers effectively.

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Political and Dipl	omatic Notes	25X1A9A
New Year's Editorial		
The New Year's Day joint editorial signaled no changes in domestic or foreign partiairs, the editorial called for continuing elaborating on its purpose. It cautiously indice mold their thinking, neither criticizing contributions. The editorial made a pass Congress, but gave no hint as to when it mig	olicy, Concentrating to the anti-Confucius cated that intellectua them outright nor p ing reference to the	mainly on domestic campaign, without ls must continue to raising their earlier

an improvement in the chilly atmosphere of Sino-West German relations. The West Berlin Senat has reacted negatively to the consulate proposal, but would not object to a trade mission. Over time, exchange of military attaches is probable, but the West Germans seem to be in no hurry.

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Europe.	dearly reflect Peking's lack of		]
Support the Army Circular	25X1A9A		
for civilians and the army to the army. The document, issu- "fresh contributions" by stre- revolution and construction, rotation of seven powerful a political power, this less-that commanders may not have military men may be anticipated.	e Army and Cherish the People maintain good relations, contained on December 31, notes only engthening military preparation. Coming on the same day as three gonal commanders, a major meeffusive praise of the militained gone willingly and that futuated. If the reshuffling had resemilitary, the circular would also military, the circular would also	ins few compliments for that the PLA has made is and has aided socialist in announcement of the reduction in the army's rry suggests that all the ire troubles with some polved the major political	25X
Pi Returns			
returned to Fukien, an area Fukien from at least 1961 t previous Fukien military an transfer to the Lanchow Mil undermine Han. The latest sw tion. The return of Pi may transfer to Lanchow—or eve	otated military region comman where he has strong ties. Pi, to October 1969, was aligned vide political boss, during the Clitary Region in 1970 was interited is not necessarily injurious have been the price of Han's n part of a plan by some clern Fukien. The appointment of n these questions.	a top-ranking officer in with Han Hsien-chu, the ultural Revolution. Pi's expreted as an effort to to Han's local organization agreement to his own ments in Peking not to	
	25X1A9A		—

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for the domestic audience since last May. Le carried by the central media in Chinese, but j	effist positions on policy issues are personal praise of Chiang Ching, the
most outspoken leftist, is limited to those pastrongest.	provinces where her support is the 25X1
	25X1A9A
Trade Unions	
Reconstruction of provincial trade union when Kweichow Province announced the openi of China's four traditional mass organizations the trade unions) had been rebuilt in all province be complete once Shantung holds its congrassociation is just beginning. Final reconstruction be achieved until a national congress is held to 25X1	ng of its congress. At year's end, two (the Communist Youth League and es, and the women's associations will ess. Reconstruction of the peasant on of the mass organizations will not

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### CHRONOLOGY

Dec 21	Chinese economic delegation arrives in Pakistan, apparently to survey possibilities for new aid.	25X1
Dec 21-27	That trade delegation, headed by Deputy Foreign Minister Chan-chai, visits Peking. The Thats talked with Chou Endai, Li Hsien-nien, and Chiao Kuan-hua and purchased 50,000 tons diesel oil from China.	25X1
Dec 22	Ministerial-level Ceylonese trade delegation departs after nego- tiating 1974 rice-rubber barter agreement under which Sri Lanka will receive 200,000 tons of rice.	25X1
Dec 25	Vice-premier Teng Hsiao-ping meets with visiting official from Pakistan Airlines.	25X1
Dec 28	Kweichow forms last provincial trade union organization (see Notes).	25X1
Dec 29	Annual trade protocol signed with Albania.	25X1
Dec 31	Unprecedented rotation of military region commanders revealed at provincial rallies (see article and Notes).	25X1
Jan 1	Delegation of Chinese doctors leaves for visit to Canada and the US.	
Jan 1-3	Le Duc Tho passes through Peking en route home from talks with Secretary Kissinger. His host was Keng Piao, and he sees Chang Chun-chiao.	25X1
Jan 3-6	Japanese Foreign Minister Ohira visits Peking and signs trade agreement. Received by Mao, Chou, Chi Peng-fei.	25X1
Jan 6	PLA Deputy Chief of Staff Chang Tsai-chien begins visit to Pakistan.	25X1

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